



QUALITY IMPROVEMENT OF BUSINESS EDUCATION IN GERMANY, AUSTRIA AND SWITZERLAND

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Editorial

In Germany, Austria and Switzerland, the Foundation for International Business Administration Accreditation (FIBAA) is experiencing a growing interest from the public, from enterprises and from private and public suppliers in business education.

The range, for example, of Master of Business Administration Programmes (MBA) in Germany, Austria and Switzerland is extensive. It begins with the "Junior MBA"¹ for students who have just graduated from university. The "Executive MBA", on the other end of the scale, is for managers of whom most have up to ten years' practical business experience. There are full-time, part-time and distance-learning programmes plus modular programmes that enable the student to do any of the three. The fees for most MBA programmes range from EUR 10,000 to EUR 45,000, the average being EUR 17,000. In the late eighties, there were only 10 MBA providers in Germany, Austria and Switzerland, mostly from abroad. Between 1990 and 1995, this number increased to 35 providers and reached 100 by 2001. Today, students can choose from among 180 providers and over 200 programmes in those three countries.

The number of MBA students in Germany has risen from 500 (estimate for 1990) to about 5,500 (2004). Some 50 - 60% of those students study abroad or within the framework of international joint ventures. Many of the MBA programmes on offer in Germany, Austria and Switzerland are the result of co-operation² with American or British programmes. 70% of all German MBA programmes were founded in the period 1999 – 2004, especially after the German parliament officially approved Bachelor's and Master's programmes as part of university education. In 1998, a federal law entitled *Hochschulrahmengesetz*³ (Framework Act for Higher Education) was enacted in Germany, allowing German universities to offer Bachelor's and Master's programmes.

Significantly, the introduction of Bachelor's and Master's courses has been accompanied by an innovation on the German education scene - that of accreditation. Accreditation agencies, the establishment of an *Akkreditierungsrat* (accreditation council) and the adoption of a credit points system have led to greater transparency and comparison of quality. A similar goal, but with different methods of quality improvement in higher education (HE), can be seen in Austria and Switzerland. In anticipation of this development, universities, enterprises and industrial associations established FIBAA in 1994 in order to make the ever-growing market of MBA programmes and providers more transparent. The German Accreditation Council's recognition in 2000, and again in 2002, of FIBAA as a professional accreditation body for business-related courses of study is testimony to FIBAA's standing.

¹ German term, see: EQUAL (European Quality Link) Representing the management education profession in Europe, Draft Proposal for the Designation of Master's Degree Titles in Management Education in Europe, Type A : Generalist Master's for younger students, updated on 18-10-2000

² WHU – Northwestern University; Universität Augsburg – University of Philadelphia; Universität Mainz - University of Texas; GISMA - Purdue University; FH Ludwigshafen - University of Lincolnshire & Humberside; Allfinanzakademie – University of Wales; WU-Wien - University of Minnesota, etc

³ Terminology specific to the German, Austrian and Swiss situations is listed in the glossary.

Quality Improvement

Germany

As a result of the amended *Hochschulrahmengesetz* (HRG) of 20 August 1998, German HE institutions are able to introduce internationally accepted degree programmes leading to Bachelor's and Master's (BA/MA) degrees. The resolution passed by the *Hochschulrektorenkonferenz* (German Rectors' Conference) on 6 July 1998 is intended to enlarge the creative scope of HE institutions, improve the international compatibility of German university degrees, enhance student mobility and increase the quotas of foreign applicants for a place at university.

Significantly, the introduction of Bachelor's and Master's courses has been accompanied by an innovation on the German education scene - that of accreditation. Accreditation agencies and the establishment of an *Akkreditierungsrat* have led to greater transparency and comparison of quality. Accreditation agencies must be officially recognised by the *Akkreditierungsrat*.



The aim of the *Akkreditierungsrat* is to set up an accreditation system that can consist of differently structured and at times quite variously specialised agencies. Nonetheless, the work and quality of the procedures carried out by the agencies must be maintained at comparable standards. This can only be ensured if cross-programme quality requirements are met. The *Akkreditierungsrat* is the "monitoring authority" which checks whether the standards are adhered to. It coordinates, critically monitors and supports the work of agencies. In particular, this is done by way of publications, organised exchange of experience and by working sessions. Unlike evaluations which primarily constitute a strengths & weaknesses analysis (internal quality as-

essment), accreditation aims to contribute towards ensuring the quality of both teaching and study by setting basic standards (external quality assessment).

So far, three specialised accreditation agencies exist: for business studies (**FIBAA**⁴), for engineering and natural sciences (**ASIIN**⁵) and for social science (**AHPGS**⁶). Additionally, there are three regionally based agencies - (**ZEVA**⁷) in Lower Saxony, (**ACQUIN**⁸) in Bavaria and (**AQUAS**⁹) in North Rhine-Westphalia / Rhineland Palatinate.

Austria

The growing pressure from the market to ensure increasing transparency and quality control in the area of MBA programmes has not spared the German-speaking countries' public sectors. Several models of quality improvement can be seen in Austria. In March 1997, Austria adopted a new Higher Education Act, formally recognising MBA and MAS (Master of Advanced Science) titles as academic degrees. The Federal Minister of Science and Transport, who is responsible for the evaluation of these programmes, has to take the quality standards of international institutions into account. The goal is to ensure the quality of education and international comparability. FIBAA and its quality standards regarding business administration programmes are explicitly mentioned in the implementing regulations of the Austrian Higher Education Act. In 1993, the Austrian government introduced legislation to create a new *Fachhochschule* (University of Applied Sciences) sector in vocationally oriented higher education. A new kind of body – the *Fachhochschulrat* (Fachhochschule Council) – was established to "accredit" courses and eventually to designate institutions. The *Fachhochschule* policy appears to have been highly successful. In 1998, 19 providers offered 48 accredited courses. In 2000, the Austrian government introduced an "Accreditation Council" for private universities. The aim was to diversify, decentralise and deregulate higher education, breaking away from the traditional, centrally controlled university system. The introduction of these two "accreditation models" is remarkable. The policy, and particularly the different accreditation models, are radical in the Austrian context¹⁰ (Pechar/Pfeffer, 2001). Definitive plans for accreditation and quality assurance/improvement for state-owned universities do not exist as yet.

The Austrian Agency for Quality Assurance (AQA) was founded as an association by the Austrian Rectors' Conference, the Conference of the Universities of Applied Sciences, the Association of Private Universities, The Student Union and the Federal Ministry of Education, Science and Culture in 2004.

⁴ Foundation for International Business Administration Accreditation – FIBAA has been recognised as the accreditation agency for business-related Bachelor's and Master's programmes in Germany by the *Akkreditierungsrat*. FIBAA is the only accrediting body represented in the three German-speaking regions (Austria, Germany and Switzerland). FIBAA was founded in 1994 and has been a member of EQUAL since 1996. It is a member of European Quality Link⁴ (EQUAL), the European Consortium for Accreditation (ECA) and the European Network for Quality Assurance in Higher Education (ENQA)

⁵ Akkreditierungsagentur für Studiengänge der Ingenieurwissenschaften, der Informatik, der Naturwissenschaften und der Mathematik - ASIIN

⁶ Akkreditierungsagentur für Studiengänge im Bereich Heilpädagogik, Pflege, Gesundheit und Soziale Arbeit (AHPGS)

⁷ Zentrale Akkreditierungs- und Evaluierungsagentur Hannover - ZEVA

⁸ Akkreditierungs-, Zertifizierungs- und Qualitätssicherungs-Institut - ACQUIN

⁹ Agentur für Qualitätssicherung durch Akkreditierung von Studiengängen - AQAS

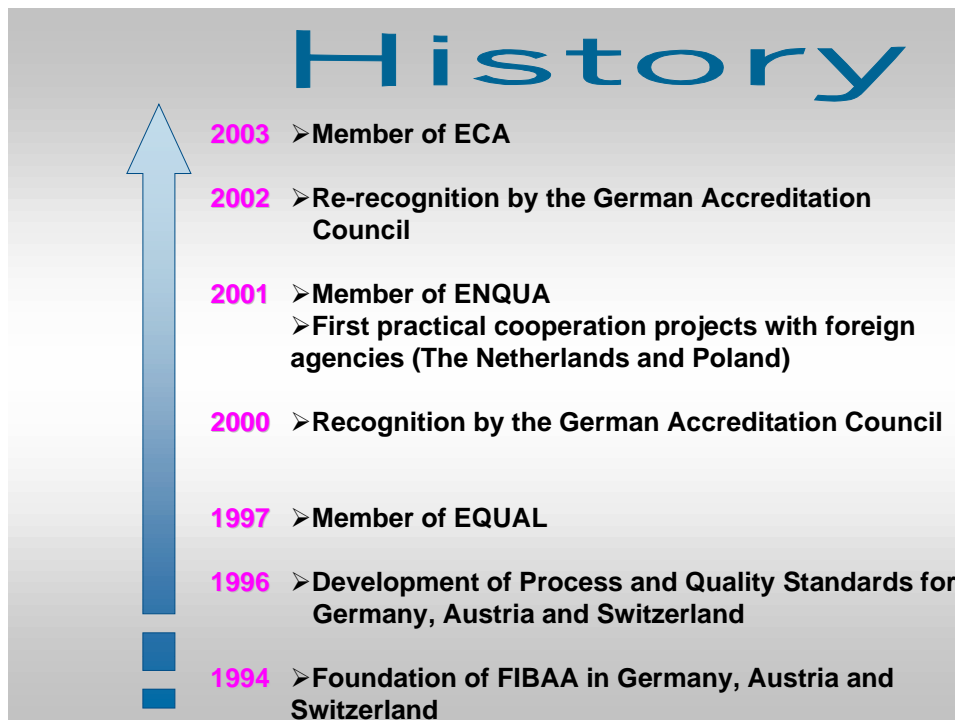
¹⁰ Hans Pechar and Thomas Pfeffer: The Accreditation of Fachhochschule Programmes in Austria (Paper presented at the international conference on "Accreditation of Higher Education: Comparative Policies in Europe", Vienna, 27 April 2001)

AQA

- provides counselling and support for higher education institutions in developing and implementing quality assurance measures,
- organises and co-ordinates the evaluation of higher education teaching and organization
- drafts quality standards and certifies quality management concepts for educational institutions
- contributes towards the development of competence in quality assurance and management.
- AQA's office is in Vienna. It offers its services to all of Austrian education institutions and may also engage in trans-national quality assurance activities. AQA will co-operates with quality assurance agencies all over Europe

Switzerland

On 1 April 2000, the Swiss parliament adopted the *Bundesgesetz über die Förderung der Universitäten und über die Zusammenarbeit im Hochschulbereich Schweizerischen Universitätskonferenz* (Federal Law on Financial Aid to Universities and Cooperation in Matters Relating to Universities). The goal was to implement an accreditation and quality agency with the intention of enhancing the quality of HE institutions and improving international compatibility. In 2002, the main task of the "Organ für Akkreditierung und Qualitätssicherung" (Center of Accreditation and Quality Assurance of the Swiss Universities) was to install standards and methods for the development of the Swiss accreditation system. FIBAA, a "Swiss Foundation", works closely with the Center.



German Higher Education

There are public and private state-recognized institutions of higher education, categorized as: *Universitäten* (universities) and equivalent HE institutions (technical universities and teacher training colleges); *Kunsthochschulen*¹¹ and *Musikhochschulen* (colleges of art and music); *Fachhochschulen* and *Verwaltungsfachhochschulen*. Since the early 1990s, the structure of higher education study courses and the internal organisation have been the subject of reform. This has involved a review of the standard periods of study and examination requirements, improvements in teaching and measures to divide courses into two different areas. The first is aimed at preparing students for the practice of a profession and the second at qualifying a new generation of academics and scientists. One priority is to expand *Fachhochschulen* and consolidate applied research and technology transfer. Institutions of higher education will be granted further autonomy. Most of the federal states have already amended their laws on higher education accordingly. Following the adoption in 1998 of the Amendment to the Framework Act for Higher Education, further reform concerning the staff structure and recruitment requirements for professors was introduced through the Act's amendment in 2002. An alternative to institutions of higher education is provided by *Berufsakademien* (Universities of Cooperative Education). They have taken the principle of Germany's dual system of vocational education (on-the-job training coupled with academic education) and applied it to the tertiary sector. The qualifications they award were recognised as tertiary-sector qualifications that fall under the EU directive on higher education degrees by a resolution passed by the *Kultusministerkonferenz* (Standing Conference of the Ministers of Education and Cultural Affairs of the Länder of the Federal Republic of Germany) on 29 September 1995.

University level, basic stage: *Grundstudium*

Stage I, or basic studies (*Grundstudium*), at *Universitäten*, usually lasting four terms (two academic years), end with an intermediate examination (*Diplom-Vorprüfung* or *Zwischenprüfung*). This examination entitles the successful candidate to continue to Stage II (*Hauptstudium*). A degree is not awarded. Since 1998, a basic higher education degree within the new system of consecutive study courses, the Bachelor (or *Baccalaureatus*), requiring a minimum of three years' study (maximum four years), has also been introduced at *Universitäten*. It normally provides a first professional qualification. *Fachhochschulen* offer application-oriented study courses, mainly in engineering, economics, social work, public and legal administration and health and therapy. A *Diplomgrad* (Diplom degree) is awarded after the *Diplomprüfung* (Diplom examination), e.g. *Diplom-Ingenieur (FH)*. The letters "FH", for *Fachhochschule*, are added to these Diplom degrees. Depending on the standard period defined for the period of study, a degree programme at a *Fachhochschule* is intended to be completed in 6 or 8 terms (2 terms = 1 academic year), including one or two practical terms. Success in the final academic examination usually qualifies the candidate for a particular profession. Some *Fachhochschulen* have adopted a similar approach to the *Berufsakademien*, particularly in engineering and business management, introducing courses that combine aca-

¹¹ In German, the plural is formed by adding "-en" or "-n". Hence, one *Kunsthochschule* but two *Kunsthochschulen*.

demic studies with on-the-job training, along the lines of the dual system. These courses are called *duale Studiengänge* (dual courses of study). The students have training or employment contracts. Fachhochschulen also confer Bachelor's and Master's degrees. The new system introduced in 1998 supplements the traditional *Diplomgrad* conferred by the *Fachhochschulen*. For courses with a more theoretical orientation, the Bachelor/Master of Arts or Bachelor/Master of Science is awarded. In the case of courses that are more application-oriented, the actual degree title has a subject-related supplement (e.g. Bachelor/Master of Engineering).

University level, advanced stage: *Hauptstudium*

Stage II consists of more advanced studies (*Hauptstudium*), leading to the final degree examination. The *Hauptstudium* usually lasts for five more terms and leads to the award of the *Diplom*. The *Magister* is awarded by *Universitäten*, predominantly in the arts, on the basis of the *Magister* examination. The course of study comprises either two equally weighted major subjects or a combination of one major and two minor subjects. As a first degree, the *Magister* is usually awarded as a *Magister Artium* (abbreviated to "MA" in German) without specifying individual subjects. The *Magistergrad* can also be awarded at the end of one or two years' post-graduate studies following the acquisition of a first degree. Alongside this one-tier system, a two-tier system leading to a BA/BSc after three to four years and an MA/MSc after another one to two years has recently been introduced.

University level: *Promotion*

Doctoral studies are only pursued at *Universitäten*. There are several procedures for admitting particularly qualified holders of a degree obtained at a *Fachhochschule* to doctoral courses at universities. The period of doctoral studies, known as the *Promotion*, consists of two to four years' independent research and the submission of a thesis following the award of the *Diplom/Erstes Staatsexamen/Magister Artium/Master of Arts/Science*. The title of *Doktor* is conferred following a written thesis and either an oral examination or the defence of a thesis. The *Habilitation* is a post-doctoral qualification proving ability to teach and engage in research in an academic subject. It is awarded by the departments of *Universitäten* and equivalent higher education institutions, usually on the basis of a post-doctoral thesis and a public lecture followed by a discussion. Following the amendment of the Framework Act for Higher Education in 2002, the *Habilitation* will be phased out as a recruitment requirement for professors.

Source: IAU (© IAU)

Austrian Higher Education

defined the relationship between the *Universitäten* and the state. The *Universitäten* remain state institutions and the state continues to finance them. *Universitäten* are fully autonomous in the handling of their internal affairs and formulate their own statutes. The law provides for the establishment of a *Universitätsrat* (university board) at each institution, which comprises leading figures from public life and the private sector. It is also responsible for providing the Federal Minister of Education, Science and Culture with expert opinion on issues concerning the university and for launching evaluation

measures. The University Assembly elects the vice-chancellors. The Ministry assumes a supervisory function in legal affairs and continues to be responsible for strategic planning and research. The law establishes which groups of degree programmes may be introduced at *Universitäten* and lays down general rules concerning admissions and awarding of academic degrees. In 1999, the University Accreditation Act was enacted which allows private institutions to obtain accreditation as a Private University by an autonomous board, the Accreditation Council.

University level, first stage: A: *Bakkalaureus, Bakkalaureus (FH)*

Bachelor (*Bakkalaureus*) programmes have only been introduced in a few fields of study. The *Universitäten* and *Fachhochschulen* are free to split Diplom programmes into Bachelor's and Master's programmes. Access to Bachelor programmes is based on the *Reifeprüfung/Matura* or on a *Studienberechtigungsprüfung* examination entitling those without a school-leaving qualification to enter higher education. There are two kinds of academic programme: *ordentliche Studien* (degree programmes), which lead to the first academic degree, and *Universitätslehrgänge* (university course programmes), which lead to a Certificate. Bachelor's programmes last for 6-8 terms, require at least two Bachelor's essays and end with a Bachelor's examination (*Bakkalaureatsprüfung*). They lead to the academic degree of *Bakkalaureus*. Access to *Fachhochschule* Bachelor's programmes is based on the *Reifeprüfung/Matura*, the *Studienberechtigungsprüfung* or a relevant professional qualification in combination with certain additional examinations in subjects of general education. The *Fachhochschule* Bachelor's programmes run for six terms, including one practical training term. They lead to the academic degree of *Bakkalaureus (FH)*.

University level, second stage: *Magister, Magister (FH), Diplom-Ingenieur, Diplom-Ingenieur (FH), Diplom* programmes (i.e. programmes which are not preceded by a Bachelor's programme)

Access to *Universität Diplom* programmes (i.e. programmes which are not preceded by a Bachelor's programme) is based on the *Reifeprüfung/Matura* or on the *Studienberechtigungsprüfung*. There are two kinds of academic programmes: *ordentliche Studien*, which lead to an academic degree, and *Universitätslehrgänge*, which lead to a Certificate. *Diplom* programmes can be divided into two or three stages of study. Each stage of the *Diplom* ends with a *Diplom* examination (*Diplomprüfung* or, in medicine, *Rigorosum*), consisting of one or more required subjects. *Ordentliche Studien* also require a *Diplom* thesis or a corresponding piece of documentation. The prescribed duration of study for the majority of degree programmes is between eight and ten terms or ten and twelve terms for general, dental and veterinary medicine and many programmes in the arts. *Diplom* programmes lead to the academic degree of *Magister*, in the field of engineering to *Diplom-Ingenieur*, in the field of medicine to *Doktor der gesamten Heilkunde*, i.e. MD. Access to *Fachhochschule Diplom* programmes is based on the *Reifeprüfung/Matura*, the *Studienberechtigungsprüfung* or a relevant professional qualification in combination with certain additional examinations in subjects of general education. The *Fachhochschule Diplom* programmes last for 8 terms, including one practical training term. They lead to the academic degree of *Magister (FH)* or, in the field of engineering, to *Diplom-Ingenieur (FH)*.

C: Master's programmes (i.e. programmes which are preceded by a Bachelor's programme)

Access to *Universität* Master's programmes (i.e. programmes which are preceded by a Bachelor's programme) is based on a completed Bachelor's programme. There are two kinds of academic programme: *ordentliche Studien*, which lead to the second academic degree, and *Universitätslehrgänge*, which lead to an Advanced Master's degree (e.g. MAS, MBA or LLM). Master's programmes last for 1-2 years, require a Master's thesis and end with a Master's examination (*Magisterprüfung*). They lead to the academic degree of *Magister* or, in the field of engineering, to *Diplom-Ingenieur*. *Fachhochschule* Master's programmes, which are organised in a similar way to *Universität* Master's programmes, lead to the academic degree of *Magister (FH)* or, in the field of engineering, to *Diplom-Ingenieur (FH)*.

University level, third stage: *Doktoratstudien*

Doctoral studies generally require a minimum of four terms. Access is based on a completed *Diplom* or Master's programme at a *Universität* or a *Fachhochschule*. Doctoral programmes demand greater independence from students in their academic work. Doctoral candidates are required to present a thesis approved by at least two professors and an examining commission, and pass the final oral examination (*Rigorosum*). They are then awarded the title of *Doktor*. Kunsthochschulen may confer a limited number of doctoral degrees. A new doctorate, the PhD, has been created by the new Higher Education Act. It requires at least 240 credits.

University level, fourth stage: *Habilitation*

The *Habilitation* is conducted within a *Universität* and is based on special research achievements after the doctorate and on production of a research monograph. It leads to the title of *Universitätsdozent* or *Privatdozent*. This is a special university qualification, not an academic degree.

Source: IAU (© IAU)

Swiss Higher Education

In Switzerland, the higher education system at university level is provided by ten Kantonal Universities and two Federal Institutes of Technology. However, higher education is also provided by the seven newly created *Fachhochschulen* and Advanced Vocational Colleges. This sector is currently being reformed on a broad scale. Private universities are basically only to be found in the field of post-graduate studies. There is no system of restricted entry for subjects studied at university, except for medicine at the German-speaking universities. Courses in medicine, dentistry, veterinary medicine, pharmacy, chemistry and surveying must follow national requirements and are regulated by the Swiss government.

University level, basic stage: *Grundstudium*

The first period of study is essentially devoted to broadly-based studies. It takes 2 to 6 terms and generally ends with intermediate examinations called *Vordiplomprüfungen*, *Akzessprüfungen*, *Demi-licence* or *Propädeutika* (for medicine), depending on the subject and the university.

University level, advanced stage: *Hauptstudium*

The second stage (*Hauptstudium*) is devoted to in-depth study, often with some specialisations. After a further four terms, a *Lizentiat/Licence* is conferred in arts, law and science. A further five terms are required for the *Diplom/Diplôme* in engineering. In medicine, a total of twelve terms is required, whereas in dentistry, pharmacy and veterinary medicine a total of ten to twelve terms are needed. In the course of the implementation of the Bologna Declaration, several universities and subject areas at individual universities have already adjusted their curriculum to the Bachelor/Master's system.

University level, third stage: *Nachdiplomstudium*

Shorter postgraduate courses, leading to the award of a *Zertifikat/Certificat* or a *Diplom/Diplôme* are offered by *Universitäten* and other institutions of higher education. They are usually part-time courses and have a vocational orientation. In Switzerland, the doctorate is regarded as a stage of postgraduate education. It is awarded by the 10 Cantonal Universities and the two Federal Institutes of Technology in areas of study such as arts, education, sciences, engineering, theology, law, economics and medicine. The duration of study varies. In science, the doctorate may take a further two to five years and in engineering between two and four years. In law, economics and social sciences, it may take from one to three years in the German-speaking institutions and up to four years in the French. The defence of the doctoral thesis (*Doktorprüfung/Examen de Doctorat*) may be viva voce or candidates may have to sit an oral and a written examination or pass two written examinations and three oral examinations in the chosen major and minor subjects.

University level, fourth stage: Medical specialisation, *Habilitation*

Doctors in medicine and dentistry (in the field of orthodontics) wishing to specialise may prepare a *Diplôme de spécialité* once they have accumulated between five and seven years' practical work experience as assistant physicians. Doctors in medicine then add FMH (Foederatio Medicorum Helveticorum) after their professional title. Doctors in dentistry are given the title *Kieferorthopäde SSO/Spécialiste SSO orthodontie* after four years' postdoctoral study and an examination. These specialisations are currently being revised.

The *Habilitation* is the highest academic degree, awarded in the main fields, only at German-speaking universities. After submitting a thesis (*Habilitationsschrift*), candidates must give a public lecture. The *Habilitation* qualifies the candidate for a professorship.

Source: IAU (© IAU)

On German Business Education

In Germany, the 1990s also witnessed wide-ranging public discussion on the merits of an MBA form of management education, which focused both on its validity and also on the career implications for those who wished to embark on this course of study. The interest generated in MBA courses was reflected in the number of new courses provided and the number of Germans undertaking courses¹². For example, it is estimated that the number of German students studying on MBA programmes increased from about 500 per year in the early 1990s to about 2,500 – 3,000 at the turn of the century. Today, we have some 5,000 German MBA students. However, defining what a "German MBA student" is and specifying the numbers requires caution. It has been estimated that about 50-60% of German students are studying abroad, a majority in the US or UK, and that, of those studying in Germany, about half are studying on franchised courses set up by non-German institutions. This means that in 2000 perhaps 250 to 300 German students could be said to be studying on real "German" MBA programmes in Germany (Brackmann / Kran, et al, 2001). Four years later, new data shows that the number of German MBA students in Germany has grown dramatically. Brackmann / Kran estimate that in 2004 there were about 2000 students studying on real "German" MBA programmes in Germany¹³.

Two features are apparent. First, the demand for MBA programmes of study has increased, confirming suggestions that Germans have become more evident on MBA courses in Europe and elsewhere, although the numbers involved are small (about 300,000 students) in relation to the overall numbers of German students engaged in business education to *Diplom* (in US and UK Master's) level. Second, it is clear that participation in these courses has been dominated by overseas study or else study on franchised courses. In relation to the scale and nature of MBA study, four aspects can be considered, as described below.

The 2,500 or more German students studying on full-time and part-time MBA programmes outside Germany can be judged substantial. A comparison with UK students studying for an MBA full-time in the UK is instructive. In the UK, most MBA students study on a part-time basis. It is estimated that in 1999, of the approximately 10,000 successful graduates in the UK, 42% studied full-time, 39% part-time and 19% through distance learning (Association of MBAs, 2000). It may further be noted that of the full-time students studying for an MBA in the UK, non-UK nationals made up a majority of students on courses. (The percentage of non-UK nationals studying full-time for an MBA in the UK is about 70% (Association of MBAs, 2001)). A rough calculation indicates, therefore, that the number of German nationals studying for an MBA full-time is likely to exceed the number of UK nationals doing the same in UK business schools.

For a majority of German MBA students, the learning experience has been an explicitly international one and one which implicitly recognises high-level language skills,

¹² Brackmann; Kran (2001): *Praxisnah und International – Der MBA in Deutschland*, BMBF, Bonn

¹³ Brackmann; M Kran (2003) *MBA-Guide 2004*, Luchterhandverlag, Cologne 2003

the experience of having lived in a different culture and exposure to the business practices of another national culture.

Accreditation and the use of the MBA title is a central issue and one which can be assumed to depress demand for MBA programmes. Problems of title recognition¹⁴ and the variability in the quality of the courses on offer mean that students considering an MBA programme need to think very carefully about what they are signing up to. These problems extend to the graduate job search where knowledge of what MBA "training" stands for has been viewed as marginal in German companies (cf. *Die Zeit* newspaper, 25.06.98). However, even with some knowledge of the qualification, the variability in programme quality produces uncertainty in the minds of recruiting departments.

Despite potential restraints on demand, the supply of MBA programmes in Germany has recently increased. Five different categories of MBA programmes are available in Germany (Das MBA Studium, 2000), as follows:

- state-recognised programmes provided by public German HE institutions (*Universitäten* and *Fachhochschulen*);
- programmes set up by non-German institutions, provided in cooperation with public German HE institutions (state-recognised / non-state-recognised);
- programmes set up by non-German institutions, provided in cooperation with private German business schools (non-state-recognised);
- programmes offered by business schools operating on a global scale (non-state-recognised); and
- company and consortia programmes (non-state-recognised).

Recently, there has been an increase in the range of programmes offered. It has been calculated, for example, that 28 public institutions established MBA programmes between 1997 and 2000. It is anticipated that there will be a substantial rise in the number of wholly German providers of MBA programmes. However, the reason for this anticipated increase in Master's degree courses (including MBA programmes) lies well outside of a change in the dynamics of MBA programme supply and demand evident through the 1990s. Rather, it is due to the fact that the law governing the conferment of university degrees has changed, and with this change will come profound changes in course duration and status in higher education.

Recent changes and implications

A strong impulse for change in higher education stems from the long recognised difficulties experienced in German universities (Ardagh, 1995). The problems of very lengthy periods of study, extremely unfavourable faculty/student ratios, entry restrictions in the face of excessive demand in many subject areas and high drop-out rates are identified as key related issues (Gehmlich, 1995) which require resolution. For

¹⁴ Nevertheless, the public authorities and universities, in particular, still express reservations concerning the MBA. In general, doubts are expressed as to whether studies at foreign universities or business schools have the same quality as German education. Students who have graduated in the US, GB and France through part-time or franchise programmes are very often hindered in using their MBA degree officially. Human resource departments are also faced with considerable problems in judging the quality of different MBA schools and MBA titles. FIBAA, 1996

students, poor learning conditions are of clear concern, and for government the financial costs of prolonged support of individuals and institutions.

In 1998, the *Hochschulrahmengesetz (HRG)* was enacted, which allowed German universities to offer courses and award degrees upon their completion at Bachelor (*Fachhochschule*) level (typically after a four year course) and Master's level (after the completion of a Bachelor's course and typically comprising one year of study).

“According to Section 19 of the HRG, degree programmes leading to the award of *Bakkalaureus/Bachelor* and *Magister/Master's* degrees can be offered by both *Universitäten* and *Fachhochschulen*. Degree programmes which provide a first professional qualification lead to a *Bakkalaureus/Bachelor's* degree and generally have to comprise a standard period of study of at least three and not more than four years. Degree programmes which provide an advanced professional qualification lead to a *Magister/Master's* degree. They generally have a standard period of study of at least one and not more than two years. In the case of consecutive degree programmes leading to Bachelor's and Master's degrees, the standard period of study shall not exceed a maximum period of five years.”

These possibilities have been introduced on the basis of a policy objective aimed at making Bachelor's degrees open to eligible applicants on a non-fee-paying basis. Only 30% of the graduates at this level then move on to take a Master's, for which fees are payable. It is estimated that, in 10 years' time, the number of Master's degree courses will account for 50% of all degrees awarded.

Significantly, the introduction of Bachelor's and Master's courses has been accompanied by an innovation on the German education scene - that of accreditation. Accreditation agencies, the establishment of an *Akkreditierungsrat* and the adoption of a credit points system have led to greater transparency and comparison of quality.

Accreditation agencies must be officially recognised by the *Akkreditierungsrat* in accordance with joint course-structure targets set by the federal states on the basis of the *Kultusministerkonferenz* resolutions adopted on 3 December 1998 and 5 March 1999. These documents also set basic criteria for the accreditation of *Bakkalaureus/Bachelor's* and *Magister/Master's* programmes. The HE institutions are free to define the programme profiles the way they see fit.

The accreditation process does not primarily aim to achieve uniformity of services and courses, but rather to facilitate transparency and comparability. Consequently, the intention is that the agencies' creative scope should not be impaired by excessively rigid preliminary stipulations or definitions. HE institutions should be granted flexibility to develop a variety of degree-programme profiles on the basis of predefined quality criteria.

Students will have a greater choice of business education courses and periods of study, and there will soon be a rise in the status of these programmes. Employers will be able to understand the different status and content of the new degrees. Educational institutions need to think about how they are going to go about providing new courses, the content of those new courses and new methods of teaching and learning. It may be noted that reform of the HE sector is provoking debate and internal resistance from those who oppose what is seen by many as the “Americanisation” of

the German HE sector, and who have formed themselves into professional pressure groups.

It is apparent that changes taking place in business education will take some time to develop fully and that it would be fanciful to think that German management style and industrial culture will be altered quickly simply because of these changes. However, there is evidence that German employers feel that there is room for reorientation of HE business studies so that new recruits from higher education are better equipped to contribute to their enterprises. A survey of employers in Lower Saxony, conducted by the *Institut der deutschen Wirtschaft Köln* (1998), revealed a range of key skills and qualities which employers were seeking and yet were not always evident in the graduate applicants. Several areas of deficiency were identified – lack of practically oriented problem-solving strategies, "thinking in the round" and so on, foreign language skills and also social skills such as team skills, communication skills and customer orientation. A majority of businesses surveyed felt that development of these key skills and qualities should be integrated within the courses of study pursued. Many of them suggested methods of cooperation between companies and HE institutions which would increase work experience and practical work-based projects.

A further important dimension to the debate about training needs (and provision) hinges on skills and management qualities required to meet the challenges of internationalisation. For existing European multinational corporations, the management skills most required now and in the future have been expressed in terms of an ideal profile for the European manager (Dufor, 1994). Many of the features echo the skill and aptitude demands of the German companies surveyed and reported above.

Ability to involve people – communication skills, skills in psychology, team skills, ability to coordinate, inspire and motivate.

International skills – international experience, language skills, geographical mobility, global thinking.

Flexibility – aptitude to manage change and diversity, to tolerate ambiguity and uncertainty, capacity to learn.

Intuition – intuition, creativity, ability to innovate

Broad vision – ability to see the big picture, deep understanding (sociological, philosophical, ethical).

German corporate life in the last decade has been deeply influenced by internationalisation processes. The demand for managerial skills, including language skills to support internationally oriented German firms¹⁵, is clearly relevant. This "international" aspect has also emerged in the debate concerning the fundamental qualities of full-time MBA programmes offered in Germany. Some argue that studying with a number of different nationalities is an essential ingredient of the learning experience

¹⁵ Within recent years, demands on management have undoubtedly risen considerably. Young managers have to deal with markets which are growing closer together and with different management philosophies and leadership strategies that compete with each other in order to become the leaders on the global markets. They are therefore expected to react quickly and efficiently to ever-changing and sometimes opposing trends. Management development has to be innovative. Above all, companies are trying to strengthen the qualifications of their managers with regard to effective crisis management. They are looking for management development programmes that offer a well-balanced education, are practice-oriented and in line with economic and practical needs, as well as providing a sound theoretical background. Dr. Roland Schulz, Henkel KGAG, Düsseldorf, 1996

and that teaching should be conducted in the lingua franca of international business - English.

A further issue will be the possible adjustments in business-education course content and orientation. The role of organisations such as FIBAA in Austria, Switzerland and Germany and the Brussels-based European Foundation for Management Development (efmd), at the European level, will become increasingly important in this respect. An important development at European level has been the establishment of EQUAL (European Quality Link). This European association of national accrediting bodies has as its main objective the continued improvement of quality in business schools. Whether these national and international developments and initiatives will result in quality standards for business education becoming more homogenous and being upheld across Europe and beyond remains to be seen.

FIBAA - A Profile

FIBAA - The Foundation for International Business Administration Accreditation

The Foundation for International Business Administration Accreditation (FIBAA) accredits Bachelor, Master's and, since 2003, *Diplom* courses in fields such as business administration, economics, business computing, engineering and business administration, business psychology, business law, etc. in Germany, Austria and Switzerland. The courses are provided by public or state-approved HE institutions or private HE institutions seeking state approval, and the accreditation process is based on the law of the federal state or country concerned. With Bachelors and Masters being new degrees in Germany, Austria and Switzerland, FIBAA's work aims to ensure that the courses offer high quality and career relevance and that they are endorsed by both academia and the market. Its Foundation Board and Accreditation Council meetings are held in one of the three countries on a rotating basis. The Foundation's areas of activity are:

- 1) accreditation of Bachelor's and Master's courses and
- 2) provision of information and advice on Bachelor's and Master's courses to universities, students and companies.

Quality assurance in the HE sector

Germany's 1998 *Hochschulrahmengesetz* paved the way for *Universitäten* and *Fachhochschulen* to offer Bachelor's and Master's courses leading to internationally compatible degrees. The decision as to whether a HE institution can set up these types of course still lies with the ministry of the federal state in which the institution is located.

In accordance with a joint resolution adopted by the *Kultusministerkonferenz* and the *Hochschulrektorenkonferenz*, an accreditation process to audit and assess the quality of the new course must be conducted before the ministry's decision. The *Kultus-*

ministerkonferenz and the *Hochschulrektorenkonferenz* have installed an accreditation council to act as an “auditor” and to accredit the agencies charged with accrediting the content of such new courses as well as to coordinate their accreditation activity. Germany’s Accreditation Council accredited FIBAA in 2000 and granted it re-accreditation until 2007 two years later.

The accreditation procedure is intended to promote swifter and more flexible introduction of new courses as well as opening up possibilities for new course curricula and formats.

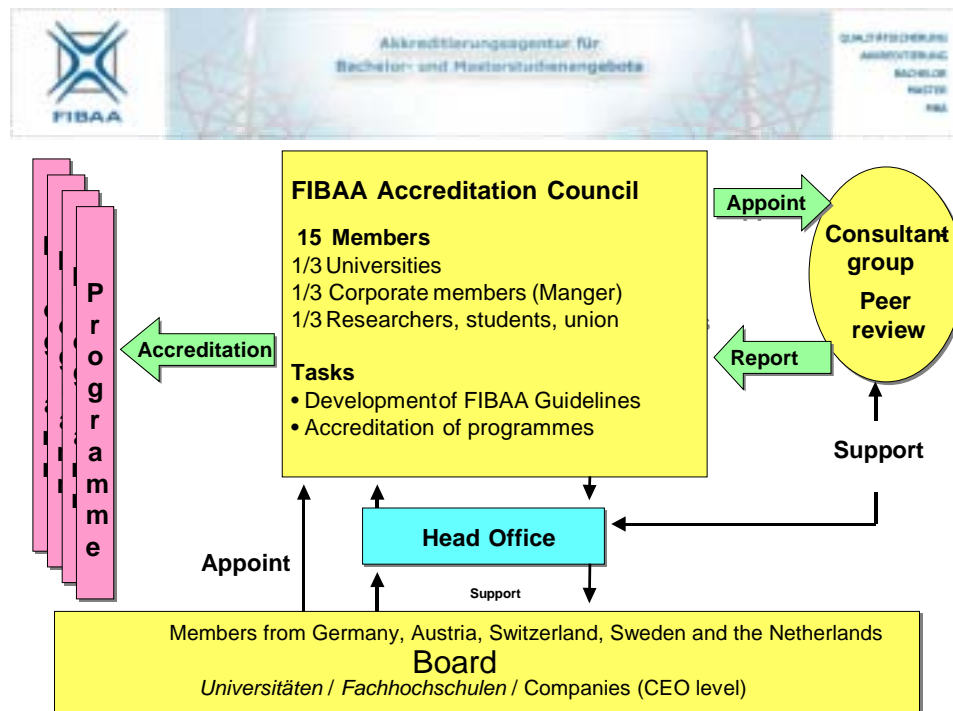
In order to enhance transparency and comparability on a national *and* international scale and to provide a reference point, the results of the accreditation agencies’ audits are published. As proof that they have passed the quality audit, accredited courses at public and state-approved *Universitäten* and *Fachhochschulen* in Germany are awarded not only a certificate from the accreditation agency but also the German Accreditation Council’s “Quality Label”.

Similar institutions have been founded in Austria and Switzerland and FIBAA is in close contact with them.

Establishment of FIBAA

FIBAA was established in September 1994, initially with the goal of making the MBA (Master of Business Administration) market more transparent. In 1999, its remit was expanded to take in economics-related Bachelor’s and Master’s courses in Germany, Austria and Switzerland.

In workshops, the DIHT (Association of German Chambers of Industry and Commerce) and the BDA (Confederation of German Employers’ Associations), academics and corporate representatives from Germany, Austria and Switzerland drew up methods for auditing and appraising courses, taking examples of international practice as their starting point. Together with the Swiss and Austrian trade associations, they created a “Swiss Foundation” as the institutional framework for this new field of activity. Right from the beginning, academics and representatives of trade associations and companies from all three countries had seats on FIBAA’s Council and Accreditation Commission and they were joined by trade unionists and student representatives in 1999. The Foundation Council also counts a Dutch academic and a Swedish company representative among its number.



Procedures and quality standards

The peer review team always consists of at least three persons, of whom two are from the academic sphere (*Universitäten* and *Fachhochschulen*) and one is from industry (a company representative).

The course providers are required to supply information concerning the underlying structure and the objectives of the course, their research work and ties with industry, their teaching staff, course content and how it is to be taught, resources, management and the student-development process from admission through to examination.

The peers seek to describe and assess the course in its entirety. Individual criteria are examined in order to substantiate the assessment and produce a quality profile.

Collective accreditations of several courses are becoming increasingly common. Despite being conducted collectively, they must examine the courses in precisely the same detail which, in Germany at least, is required when accrediting individual courses.

FIBAA draws up a course profile by assessing numerous criteria. The profile is built upon minimum standards, the baseline, which reflects weaknesses, whilst the ratings above the baseline clearly indicate the strengths. It is this approach that has helped the FIBAA Quality Label gain acceptance.

The assessment checklist contains around 100 quality criteria, which are used to produce a definitive profile of the course and its strengths and weaknesses.

This gives potential students and recruiters in industry, but also the ministries and the actual course providers themselves - the universities and other HE institutions - a clear indication of the quality of the education offered.

Selection criteria and procedures for expert reviews

The selection of external experts is of key importance for any quality-oriented accreditation procedure. The trans-national recognition of accreditation decisions is closely linked to the implementation of uniform selection criteria and procedures involving external experts. FIBAA and the ECA members agreed on the following principles:

1. Any decision regarding the composition of the expert team is to be based on the rules and regulations of the accreditation organization or on pertinent legislation; the selection process must be fully transparent.
2. Study programmes or institutions undergoing accreditation are given the opportunity to object to the selection of experts.
3. The accreditation decisions are not made by the group of experts themselves, but by the accreditation organisation.
4. Experts must be independent and in a position to make unbiased judgments.
5. Depending on the objectives of the accreditation procedure, expert teams should bring together the following expertise:
 - experience in external quality assurance
 - scientific reputation
 - leadership experience regarding academic institutions / experience in science/academic management
 - experience abroad
 - didactic experience / knowledge of curriculum development
 - knowledge of the country-specific system of institutions of higher education and applicable legislation

It is recommended to include students in the expert teams. For programme accreditation expertise from the labour market should be taken into consideration.

Accreditations to date

By March 2004, FIBAA had accredited a total of 155 courses. Three courses which were accredited before 1999 have also now been re-accredited in line with the revised version of the *Hochschulrahmengesetz* (as amended in 1998).

The 155 accredited courses can be subdivided as follows:

By country

Germany	129
Austria	15
Switzerland	9
Netherlands	1
The Czech Republic	1

By course type

Bachelor's	58
- of which, distance learning	5
Master's	97

- of which, distance learning	5
- of which MBA	55
<i>Diplom</i>	5

There were 33 courses for which accreditation was commenced but could not be successfully concluded or was stopped due to serious shortcomings. Four new HE institutions in Germany have been approved by the state on the basis of their first courses being FIBAA-accredited. The ministries responsible suggested that the curriculum and content be audited by an accreditation agency and then waited to hear the outcome of the accreditation process before making their decision.

International involvement

As part of its expansion of its international role, FIBAA teamed up with the Dutch Validation Council (D.V.C.) to award joint accreditation to the following course in the Netherlands:

- Master's course in "Managing Human Resources" at the Saxion Hogeschool IJsseland in Deventer. The accreditation process was directed by D.V.C.

In 2002, FIBAA and its Polish partner, FORUM, jointly accredited the following course:

- Master of Business Administration (for Central and Eastern Europe) at the Europa-Universität Viadrina in Frankfurt an der Oder. The accreditation process was directed by FIBAA.

In 1997, FIBAA joined European Quality Link - EQUAL, the European association of national accrediting bodies for economics-oriented courses. FIBAA has played an active part in the association's work and the fruits of that work, such as the "European Guidelines for MBA programmes", the "Distance Learning Guidelines", a classification system for Master's courses, the "Bachelor Guidelines" and documents aimed at resolving specific issues, for example the documents on "Internationalisation" and "Research and Development".

EQUAL views itself as a "think tank" for EQUIS - The European Quality Improvement System. Rather than accrediting individual courses, EQUIS accredits business schools - those which are distinctly internationally oriented - in their entirety. Along with the other members of the EQUAL Board, FIBAA considers itself as an ambassador for EQUIS accreditations and sees one of its tasks as promoting the EQUIS concept in Germany, Austria and Switzerland. Successful providers of courses with an international approach can help advance the internationalisation of the European HE sector and develop a quality culture.

FIBAA has been a member of ENQA, the European Network for Quality Assurance in Higher Education, a permanent guest at the Bologna Conferences, since 2002 and has been involved in the creation of ECA, the European Consortium for Accreditation, since 2003.

As a firm player in international networks, FIBAA is lending transparency to economics-oriented courses and the institutions that provide them, as well as the related ac-

creditation sector, and making it easier to compare the German/Swiss/Austrian and international sectors. This will guarantee that the quality standards and procedures are permanently cultivated in line with international requirements.

“If you only look at rankings, you will always come off second best.”

1 November 2004¹⁶, As the “MBA” title, once a symbol of quality, becomes increasingly watered-down, it is more and more difficult to get a good picture of what the market has to offer. Books such as “MBA-Guide 2005” can be of help. In the following interview, co-author Hans-Jürgen Brackmann talks about how to find the right MBA programme. The Managing Director of FIBAA (Foundation for International Business Administration Accreditation), an MBA accreditation agency with close ties to employers, is one of Germany’s leading experts in the field of postgraduate business administration courses. FIBAA is the only German accreditation agency to have specialised in business administration courses. Brackmann is also the Generalsekretär der Stiftung der Deutschen Wirtschaft.

? In recent years, there has been a constant decline in applications for MBA programmes at the top business schools in the US. Is this due to a deterioration in the image of the MBA qualification?

: No. Continuing education is often put on the back burner in times of economic woe, and people focus all of their attention on their jobs. German MBA providers have been lamenting this situation for some time too.

? So does it make sense, in view of the strained situation on the labour market, to invest time and money in an MBA? Isn’t a good university degree perfectly adequate?

: A university degree is the minimum you need. But if you do an MBA as well, you definitely give yourself added value - and that can be reflected in your pay too. And that’s true irrespective of whether you get the title to increase your chances when applying for a new job or to climb the ladder at your present company. It doesn’t always work straight away but investing in an MBA usually does pay off. Salary increases are possible though they may not always be huge.

? So which title would you recommend today as a “career springboard”? “Doktor” or MBA?

: That’s the classic question. MBAs need to be seen as totally distinct from the “Doktor” title - the two paths are different. Of course, to a great extent, it depends on the culture prevalent in the company concerned. In many businesses, “Doktor” titles count for more - in the chemical industry, for example, but also at banks and insurance companies. But the trend is moving towards a combination of the two. People with a “Doktor” title gain a few years’ professional experience and then take an Executive MBA as well. It wouldn’t make sense to do the two immediately after another.

¹⁶ Text: Hochschulanzeiger Nr. 74, 2004, Interview with Hans-Jürgen Brackmann - Managing Director of FIBAA, “If you only look at rankings, you will always come off second best.” By Hilmar Poganatz

? How can graduates know whether a doctorate or an MBA makes more sense for them?

: A doctorate, which provides a solid academic grounding, should be undertaken straight after the first-level degree. The MBA's value, on the other hand, is that it helps the holder get ahead in the real world of business management. So "Doktor" and MBA are not two alternative titles. Generally speaking, you should have at least two, better still three to five, years' professional experience under your belt before embarking on an MBA.

? There are evidently major differences in the quality of MBA degrees. How can applicants and staff recruiters know which MBAs are a guarantee of quality?

: Making a choice is difficult because the diversity you mention even goes as far as title-selling. Of course, the establishments which "confer" such titles are not approved but nobody complains so nothing is done about them. There is no black list because providers of that type are popping up all over the place and disappearing just as quickly. Sometimes they're simply letter-box companies, sometimes providers that offer distinctly superficial programmes. Potential MBA students can only protect themselves by checking to see whether the provider is approved and accredited. In Germany, this is guaranteed by the state's Accreditation Council and the agencies it has accredited.

? Your agency, FIBAA, is accredited by the Accreditation Council. Your "MBA-Guide" describes "15 steps to finding the right MBA". Which are the most important?

: First, a "self-assessment" to determine what you want to achieve. Then you look at the usual league tables and get hold of the potential providers' glossy brochures. Then you should take a look at the appraisal reports produced by the certification bodies. They can be found, for example, on FIBAA's website. The Accreditation Council also posts appraisal reports on the Internet, which provide a good means of comparing providers.

? The usual MBA league tables became increasingly discredited during the course of last year. How can people find out which schools in the German-speaking areas offer the best MBA programmes?

: If you don't take a close look at the categories in the league tables and just concentrate on the rankings, you will always come off second best. You see, the results depend heavily on whether the researchers ask, for example, professors or students. There is no league table that covers all aspects. However, the most comprehensive is doubtless the one published by the Financial Times. Whatever the case, you should always check whether the subjects you want to concentrate on are covered by the school in question.

? What funding opportunities are there for those who haven't got enough in the bank?

: There are some scholarships, e.g. from DAAD (the German Academic Exchange Service). If needs must, students have to take out loans but that is a worthwhile investment in their career. Many companies pay part or even all of the costs of an MBA. If you want your company to do likewise, you need to start speaking with the management at an early stage. Just turning up with your degree in your hand and saying, "Now give me a position in line with my title", doesn't work.

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Glossary

(Many of the entries below are intended to serve as explanations rather than definitive translations)

Akkreditierungsrat	Accreditation Council
Berufsakademie	University of Cooperative Education
Bundesgesetz über die Förderung der Universitäten und über die Zusammenarbeit im Hochschulbereich Schweizerischen Universitätskonferenz	Federal Law on Financial Aid to Universities and Cooperation in Matters Relating to Universities
Diplom	traditional first-level degree, usually in the sciences or economics
Diplomgrad	Diplom degree
Diplomprüfung	Diplom examination
dualer Studiengang	dual course of study
Fachhochschule	University of Applied Sciences
Fachhochschulrat	Fachhochschule Council
Habilitation	post-doctoral qualification proving ability to teach and engage in research in an academic subject
Hochschulrahmengesetz	Framework Act for Higher Education
Hochschulrektorenkonferenz	German Rectors' Conference
Kultusministerkonferenz	Standing Conference of the Ministers of Education and Cultural Affairs of the Länder of the Federal Republic of Germany
Kunsthochschule	college of art
Land	one of the federal states into which Germany is divided
Länder	plural of "Land"
Magister	traditional first-level degree, usually in the humanities or social sciences
Matura	school-leaving qualification approximately equivalent to "A" level in Great Britain
Musikhochschule	college of music
ordentliche Studien	degree programmes
Organ für Akkreditierung und Qualitätssicherung	Center of Accreditation and Quality Assurance of the Swiss Universities
Promotion	doctoral studies
Reifeprüfung	school-leaving qualification approximately equivalent to "A" level in Great Britain
Studienberechtigungsprüfung	examination entitling those without a school-leaving qualification to enter higher education
Universität	university (differs from a Fachhochschule/university of applied sciences)
Universitätslehrgänge	university course programmes
Universitätsrat	university board
Verwaltungsfachhochschule	Fachhochschule providing training in public administration

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